

## MOST-FAVORED-NATION TREATMENT IN CUSTOMS MATTERS

*Exchange of notes at Athens November 15, 1938; supplementary note  
of November 19, 1938*

*Entered into force January 1, 1939*

*Terminated March 9, 1950*<sup>1</sup>

53 Stat. 2046; Executive Agreement Series 137

*The American Minister to the President of the Council of Ministers  
and Minister of Foreign Affairs*

LEGATION OF THE UNITED STATES OF AMERICA

No. 375

*Athens, November 15, 1938*

EXCELLENCY:

I have the honor to make the following statement of my understanding of the agreement reached through recent conversations held at Athens by representatives of the Government of the United States of America and the Government of the Kingdom of Greece with reference to the treatment which the United States of America shall accord to the commerce of the Kingdom of Greece and which the Kingdom of Greece shall accord to the commerce of the United States of America.

These conversations have disclosed a mutual understanding between the two Governments which is that the United States of America will accord to the commerce of the Kingdom of Greece and the Kingdom of Greece will accord to the commerce of the United States of America, its territories and possessions, non-discriminatory treatment.

Accordingly the two Governments have agreed upon the following provisions:

### I

With respect to customs duties or charges of any kind imposed on or in connection with importation or exportation, and with respect to the method of levying such duties or charges, and with respect to all rules and formalities in connection with importation or exportation, and with respect to all laws or regulations affecting the sale, taxation or use of imported goods within the

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<sup>1</sup> Date on which Greece became a contracting party to the General Agreement on Tariffs and Trade (TIAS 1700, *ante*, vol. 4, p. 641).

country, any advantage, favor, privilege or immunity which has been or may hereafter be granted by the United States of America or the Kingdom of Greece to any article originating in or destined for any third country, shall be accorded immediately and unconditionally to the like article originating in or destined for the Kingdom of Greece or the United States of America, respectively.

## II

1. Neither the Government of the United States of America nor the Royal Hellenic Government shall regulate by import licenses or permits the importation into its territory of any article in which the other country has an interest, or by any method maintain limitation or control of the amount of importation of any such article, unless similar action is taken with respect to the importation of such article from all other countries.

2. If imports of such an article from the other country are, directly or indirectly, restricted by such regulation, limitation, or control, the Government taking such action shall establish in advance, and inform the other Government of, the total amount permitted to be imported from all countries during any specified period, which shall not be shorter than three months, and of any increase in such amount during the specified period, and shall either—

(a) Impose no limitation on the part of such total amount which may be imported from the other country; or

(b) Establish in advance, and inform the other country concerning, the quota of such article which shall be permitted to be imported from the other country during the specified period. Such quota, as originally established or subsequently changed, shall be equivalent to the proportion of the total importation of such article which the other country supplied during past years, account being taken in so far as practicable in appropriate cases of any special factors which may have affected or may be affecting the trade in that article. Where a quota for importation from the other country is established, no obstacle, administrative or otherwise, shall be placed in the way of importation sufficient to fill the quota allotted to the other country. If the total amount permitted entry from all countries is increased during any quota period, the quota established for the other country shall be increased proportionately.

3. If the Government of either country establishes or maintains such regulation, limitation, or control of the importation of an article in which the other country has an interest, it shall—

(a) Make public the regulations regarding the issuance of licenses or permits, or regarding any other method of limitation or control, before such regulations are put into force;

(b) Administer any system of licenses or permits or any other method of limitation or control so as not to discriminate against importation from the

other country, and in no manner, directly or indirectly, influence importers regarding the country from which they shall seek permission to import any such article;

(*c*) Ensure that there shall be no undue delay in the issuance of licenses or permits;

(*d*) Ensure that any duly qualified importer seeking to establish new, or to reestablish old, trade connections with the other country, or to maintain such trade connections, shall be given reasonable opportunity to import any such article; and upon request inform any such duly qualified importer whose application is rejected of the reasons for such rejection;

(*e*) At all times upon request advise the Government of the other country of the amount of any such article, the growth, produce, or manufacture of each exporting country which has been imported, or for which licenses or permits for importation have been granted.

4. The provisions of this Article shall also be applicable with respect to any regulation, limitation, or control imposed by either Government upon the importation of such article at a particular rate of duty or charge.

### III

In the event that the Government of the United States of America or the Royal Hellenic Government establishes or maintains, directly or indirectly, any form of control of the means of international payment, it shall, in the administration of such control:

(*a*) Impose no prohibition, restriction, condition, or delay on the transfer of payment for imported articles the growth, produce, or manufacture of the other country, or of payments necessary for and incidental to the importation of such articles;

(*b*) Accord unconditionally, with respect to rates of exchange and taxes or surcharges on exchange transactions in connection with payments for or payments necessary and incidental to the importation of all articles the growth, produce, or manufacture of the other country, treatment no less favorable than that accorded in connection with the importation of any article whatsoever the growth, produce, or manufacture of any third country; and

(*c*) Accord unconditionally, with respect to all rules and formalities applying to exchange transactions in connection with payments for or payments necessary and incidental to the importation of articles the growth, produce, or manufacture of the other country, treatment no less favorable than that accorded in connection with the importation of the like articles the growth, produce, or manufacture of any third country.

## IV

1. In the event that the Government of the United States of America or the Royal Hellenic Government establishes or maintains a monopoly for the importation, production, or sale of a particular commodity or grants exclusive privileges, formally or in effect, to one or more agencies to import, produce, or sell a particular commodity, the Government of the country establishing or maintaining such monopoly, or granting such monopoly privileges, agrees that in respect of the foreign purchases of such monopoly or agency the commerce of the other country shall receive fair and equitable treatment. To this end it is agreed that in making its foreign purchases of any product such monopoly or agency will be influenced solely by those considerations, such as price, quality, marketability, and terms of sale, which would ordinarily be taken into account by a private commercial enterprise interested solely in purchasing such product on the most favorable terms.

2. It is agreed that the Government of each country, in the awarding of contracts for public works and generally in the purchase of supplies, shall not discriminate against the other country in favor of any third country.

## V

1. The advantages now accorded or which may hereafter be accorded by the United States of America or the Kingdom of Greece to adjacent countries in order to facilitate frontier traffic, and advantages resulting from a customs union to which either the United States of America or the Kingdom of Greece may become a party, shall be excepted from the operation of this Agreement.

2. The advantages now accorded or which may hereafter be accorded by the United States of America, its territories or possessions, the Philippine Islands, or the Panama Canal Zone to one another or to the Republic of Cuba shall be excepted from the operation of this Agreement.

3. Subject to the requirement that, under like circumstances and conditions, there shall be no arbitrary discrimination by either country against the other country in favor of any third country, the provisions of this Agreement shall not extend to prohibitions or restrictions (1) imposed on moral or humanitarian grounds; (2) designed to protect human, animal or plant life or health; (3) relating to prison-made goods; (4) relating to the enforcement of police or revenue laws.

4. Nothing in this Agreement shall be construed to prevent the adoption of measures prohibiting or restricting the importation or exportation of gold or silver, or to prevent the adoption of such measures as either Government may see fit with respect to the control of the export or sale for export of arms, ammunition, or implements of war, and, in exceptional circumstances, all other military supplies, and it is agreed, further, that nothing in this Agreement shall be construed to prevent the adoption or enforcement of measures relating to neutrality.

VI

The present Agreement shall replace the exchange of notes between the Government of the United States and the Government of the Kingdom of Greece of December 9, 1924,<sup>2</sup> and shall become operative on the first day of January 1939, and shall continue in force until superseded by a more comprehensive commercial agreement or by a definitive treaty of commerce and navigation, or until denounced by either country by advance written notice of not less than thirty days.

Accept, Excellency, the renewed assurances of my highest consideration.

LINCOLN MACVEAGH

His Excellency JOHN METAXAS,  
*President of the Council of Ministers  
 and Minister for Foreign Affairs,  
 Athens.*

*The President of the Council of Ministers and Minister of Foreign Affairs  
 to the American Minister*

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS

No. 27039/G/1/1

ATHENS, *November 15, 1938*

MR. MINISTER:

I have the honor to acknowledge the receipt of your Note of November 15, 1938, reading as follows:

[For text of U.S. note, see above.]

In informing you that the Greek Government is in agreement with the contents of the above Note, I beg you to accept, Mr. Minister, the assurances of my highest consideration.

J. METAXAS

To His Excellency Mr. LINCOLN MACVEAGH,  
*Envoy Extraordinary and Minister Plenipotentiary  
 of the United States of America,  
 Athens.*

<sup>2</sup> TS 706, *ante*, p. 323.

## SUPPLEMENTARY NOTE

*The American Minister to the President of the Council of Ministers  
and Minister of Foreign Affairs*

LEGATION OF THE UNITED STATES OF AMERICA

*Athens, November 19, 1938*

No. 400

## EXCELLENCY:

With reference to our Exchange of Notes of November 15, 1938, concerning the treatment which the United States of America shall accord to the commerce of the Kingdom of Greece and which the Kingdom of Greece shall accord to the commerce of the United States of America, I have the honor to inform you that, without modifying its position on the principle of unconditional most-favored-nation treatment, the Government of the United States of America agrees not to invoke the provisions of Article I of this Agreement in respect of the special and temporary advantages now accorded by the Kingdom of Greece to imports from certain countries of coffee in beans, and of sugar.

Please accept, Excellency, the assurances of my highest consideration.

LINCOLN MACVEAGH

His Excellency JOHN METAXAS,  
*President of the Council of Ministers  
and Minister for Foreign Affairs,  
Athens.*